



# Program Partnership Committee

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## Permit Fee Rule Proposals

May 20, 2004



WASHINGTON STATE  
DEPARTMENT OF  
ECOLOGY



# Permit Fee Rule

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Permit Fee Rule Drivers/Schedule

Significant Fee Rule Changes

- Municipal Stormwater Fees
- Construction & Industrial Stormwater Fees
- Other Permit Fee Rule Changes



# Permit Fee Rule – Drivers

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RCW 90.48.465:

- The department shall establish permit fees to fully recover expenses incurred in administering wastewater discharge permit program
- Fees schedule must be adopted by rule
- Fee schedule may not be adjusted anymore often than once every two years



# Permit Fee Rule – Drivers

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## Engrossed Substitute Senate Bill 6415

- Must establish fees for construction and industrial and stormwater general permits to fund Sections 2 and 3 of the act.
- Must take into consideration differences between large and small businesses and the economic impact of fees on (small) businesses.



# Permit Fee Rule – Drivers

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- Permit fees set in Ch. 173-224 WAC
- Fee rule last amended in May 2002
- Fee rule needs to be in place for FY2005 billing cycle which starts July 1, 2004



# Permit Fee Rule – Schedule

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File proposed fee rule	April 7
Workshops & Hearings	May 12-20
Public comment period ends	May 26
Rule Adopted	July 12
Final Rule published	Aug. 4
Rule becomes effective	Aug. 13
Permit fee invoices mailed	End of August



# Permit Fee Rule – Municipal Stormwater Fees

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Phase II municipal stormwater **general** permit fees

- Fees start in FY06 (July 1, 2005)
- \$1.00 per household unit within geographic area covered by the phase II permit
- Maximum fee is \$33,064
- Minimum fee is \$1,500
- Fee for special purpose districts: \$1,500



# Permit Fee Rule – Municipal Stormwater Fees

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Phase II municipal stormwater **general** permit fees –

- For communities with median household income (MHI) less than the state average, the permit fee is \$0.50 per house hold unit
- 2003 MHI: \$49,898





# Permit Fee Rule – Municipal Stormwater Fees

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Phase II municipal stormwater **individual** permit fee –

- Communities with MHI ***greater*** than state average, the higher of 5 times the otherwise applicable general permit fee or \$30,000
- Communities with MHI ***less*** than state average, the higher of 5 times the otherwise applicable general permit fee or \$15,000
- Special purpose districts: \$7,500



# Permit Fee Rule – Construction and Industrial

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## Context

- FY2004 permit fee (last year): \$364.00/yr
- 1149 Dischargers covered under the ISWGP
- 958 Dischargers covered under the CSWGP
- Total fees billed in FY2004: \$754,362
- Total fees collected in FY2004: \$653,888
- Delinquent/uncollected fee rate: 13%



# Permit Fee Rule – Construction and Industrial

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## Context

- Small Business Fee Reduction
  - Gross revenue less than \$1.0 M; and
  - Permit fee greater than \$500/yr
- Extreme Hardship Fee Reduction
  - Gross revenue less than \$100,000



# Permit Fee Rule – Construction and Industrial

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## Required Revenue – FY 2005

Current fees adjusted by FGF:	\$777,219
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<u>Increase due to ESSB 6415:</u>	<u>\$413,555</u>
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Subtotal	\$1,190,774
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<u>Delinquent &amp; Uncollected fees</u>	<u>\$177,900</u>
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<b>TOTAL FEES BILLED:</b>	<b>\$1,368,674</b>
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# Permit Fee Rule – Construction and Industrial

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## Required Revenue – FY 2006

Current fees adjusted by FGF:	\$797,582
<u>Increase due to ESSB 6415:</u>	<u>\$969,046</u>
Subtotal	\$1,766,682
<u>Delinquent &amp; Uncollected fees</u>	<u>\$263,986</u>
<b>TOTAL FEES BILLED:</b>	<b>\$2,030,668</b>



# Permit Fee Rule – Construction and Industrial

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## **Split Between Construction and Industrial Stormwater permits**

- Application Adjustment (\$49,000)  
More new applicants under CSWGP
- Percentage of total permit holders
  - Construction: 45.2%
  - Industrial: 54.8%



# Permit Fee Rule – Construction and Industrial

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## Split Between Construction and Industrial Stormwater permits

- FY 2005 Revenue Split

Construction: \$645,493

Industrial: \$723,181

TOTAL \$1,368,674

- FY 2006 Revenue Split

Construction: \$944,714

Industrial: \$1,085,954

TOTAL \$2,030,668



# Permit Fee Rule – Construction Stormwater Fees

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- Permit fees based on disturbed acres
- Small business fee reduction
- Extreme hardship fee reduction





# Permit Fee Rule – Construction Stormwater Fees

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## Construction SW General Permit Fees

<b>Acres</b>	<b>FY2005</b>	<b>FY2006</b>
<5	\$350	\$375
5 - <7	\$400	\$610
7 - <10	\$550	\$825
10 - <20	\$750	\$1,125
20 +	\$925	\$1,400



# Permit Fee Rule – Construction Stormwater Fees

## Construction SWGP Fee Revenue

<u>Acres</u>	<u>Number</u>	<u>X</u>	<u>Fee = Est. 2005 \$</u>
<5	90	\$375	\$31,549
5 - <7	113	\$610	\$45,280
7 - <10	149	\$825	\$81,860
10 - <20	285	\$1,125	\$213,821
<u>20 +</u>	<u>321</u>	<u>\$1,400</u>	<u>\$296,676</u>
TOTAL	958		\$669,185



# Permit Fee Rule – Industrial Stormwater Fees

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Fee schedule based on gross revenue

- Preliminary estimate of gross revenue distribution – for draft rule
- Refined gross revenue distribution based on DOR records – for final rule
- No DOR records for 150 permittees



# Permit Fee Rule – Industrial Stormwater Fees

<b>Gross Revenue Range</b>	<b>Estimated Distribution</b>	<b>Refined Distribution</b>
< \$100K	-----	4%
\$100K → \$1.0M	20%	14%
\$1.0M → \$2.5M	30%	14%
\$2.5M → \$5.0M	30%	12%
\$5.0M → \$10.0M	10%	10%
> \$10.0M	10%	38%
Municipal/State	-----	8%



# Permit Fee Rule – Industrial Stormwater Fees

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- Fees for new permit holders with no historical revenue data:
  - FY 2005 - \$375/yr
  - FY 2006 - \$500/yr
- Not included in revenue projections



# Permit Fee Rule – Industrial

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Fees for Municipalities/State Agencies -  
Permit fee based on “average” industrial  
stormwater permit fee

- FY2005 - \$650
- FY2006 - \$950



# Permit Fee Rule – Industrial Stormwater Fees

## Gross Revenue

## FY 2005 Fees

Range	Proposed	Revised
< \$100K	\$100	\$100
\$100K → \$1.0M	\$375	\$300
\$1.0M → \$2.5M	\$400	\$320
\$2.5M → \$5.0M	\$675	\$540
\$5.0M → \$10.0M	\$1,000	\$790
> \$10.0M	\$1,200	\$950
Municipal/State	\$650	\$650



# Permit Fee Rule – Industrial Stormwater Fees

## Gross Revenue

## FY 2006 Fees

Range	Proposed	Revised
< \$100K	\$105	\$105
\$100K → \$1.0M	\$500	\$400
\$1.0M → \$2.5M	\$600	\$480
\$2.5M → \$5.0M	\$1,000	\$800
\$5.0M → \$10.0M	\$1,500	\$1,200
> \$10.0M	\$1,800	\$1,450
Municipal/State	\$950	\$950





# Workshop – Proposed Fee Rule Changes

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Permit fee increase for all permit holders (with the exception of industrial and construction stormwater general permit holders) by the following:

- 3.03% for Fiscal Year 2005 (July 1, 2004 – June 30, 2005)
- 2.62% for Fiscal Year 2006 (July 1, 2005 – June 30, 2006)



# Workshop – Proposed Fee Rule Changes

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- Revised and expanded the definition of “animal unit”
- Revised and clarified the definition for “non-contact cooling water with additives”



# Workshop – Proposed Fee Rule Changes

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Added New Definitions For:

- Disturbed acres
- Gross revenue for business
- Median Household Income



# Workshop – Proposed Fee Rule Changes

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Amend Shipyard Fee Category to Add  
new subcategory for In-water vessel  
maintenance



# Permit Fee Rule –

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Questions?

